

CONTROL: 6576
6 Oct 76
1100

TELEGRAM

INDICATE
☐ COLLECT
☐ CHARGE TO

FROM	AmEmbassy BUENOS AIRES	CLASSIFICATION	LIMITED OFFICIAL USE
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E.O. 11652: N/A
TAGS: ELAB, AR
SUBJECT: Labor Minister Discusses Trade Union Reorganization Plans

ACTION: SecState WASHDC

~~LIMITED OFFICIAL USE~~ BUENOS AIRES 6576

REF: Minister of Labor Memcon of September 14, 1976

AMB
DCM
POL-3
POL/R
ECOM
USIS
USDAO
MILGP-2
LEGAT
SCLAT
RF
CHRON

1. Labor Minister, Brig. Gen. Horacio Tomas Liendo, made the following comments during course of Ambassador's courtesy call at Labor Ministry October 4: Interruption of normal trade union activity was a temporary emergency measure which the GOA had to impose because of the conditions which it found prevailing in the labor movement at the time the government came to power (see Para 2 below). He expected that another six to eight months would be required for the government to prepare and put the final touches to the new laws and regulations under which the labor movement would be permitted to function again. The ground rules would be promulgated no later than the next annual conference of the ILO, scheduled to take place in June 1977. The actual process of reorganization (i.e., ~~organizing~~ organizing elections, etc.) perhaps would not begin until some time after,

DRAFTED BY: LABATT:AGFreeman:mg	DRAFTING DATE 10/5/76	TEL. EXT. 128	CONTENTS AND CLASSIFICATION APPROVED BY: POL:WSSmith
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CLEARANCES:

AMB:RChill

DCM:MChaplin

but the ground rules for normalizing union activities would be ready and made public before the conference. If he were still Minister next year, he said with a smile, it would be a great relief for him to attend next year's conference, knowing he would not have to face the criticism from international labor organizations which he initially feared he would have to confront during his attendance at this year's ILO conference. In the interim, his objective and concern, and those of his government, were to attempt to assuage as much as possible international denunciations against the temporary curtailment of trade union liberties in Argentina. In this connection, he asked the Embassy to convey to the AFL-CIO his request for continued forbearance on the part of the American labor movement as well as that of the ICFTU.

2. On the same day, the Labor Ministry released a report reviewing the government's first six months of activities in the labor field. According to press accounts, the Ministry document contained the following points:

(a) Upon taking power on March 24, 1976, the government found the top ~~senior~~ leaders of the labor movement held political decision-making power in their hands. / They wielded enormous economic power / which they / manipulated / for personal / and political / ends. They exercised this power in an arbitrary and highhanded manner, excluding honest union leaders from the process, facilitating the infiltration of "rebellious and even subversive elements" in union ~~xxx~~ jobs, dipping their hands in trade union treasuries and social project

funds, etc. The government's response was to suspend trade union activities, intervene the CGT and those unions most involved in conflicts and/or suspected of involvement in illegal activities. While freeing the government's hand to take corrective action, these measures did not leave the worker rank and file unprotected, inasmuch as union representatives are still permitted to perform their duties within certain specified limitations.

(b) The suspension of trade union activities is of a temporary character. These activities will be renewed gradually and under legal rules ~~when~~ ~~when the conditions of the conditions~~ ~~existing on March 24~~ ~~have been eliminated.~~ The unions which will be allowed to engage in normal trade union activities will be those which best meet the necessary conditions for returning to normalcy.

(c) The government's response to the prevailing situation it found on March 24 of corrupt and unrepresentative leaders was to promulgate Law No. 21356. This law suspended the holding of elections in the unions, authorized the Labor Ministry to extend the current mandates of the union leaders and permitted the Ministry to replace local shop stewards and other union officers whenever they were unable, for whatever reasons, to continue performing their activities. The results of this measure are still being assessed, but it is believed that they will permit a thorough housecleaning of the guilty parties at all the levels.

(d) As for the reform of the basic trade union law (Ley de

Asociaciones Profesionales) currently under way, the new rules will be in conformity with the national goals being set for the country. The two basic principles which will govern are: liberty and equality.

(e) As for labor-management relations, the government found a total lack of equilibrium on March 24, as inordinate, arbitrary power was being wielded by the unions without any attempt by the State to act as an impartial arbiter. The government responded with Law No. 21297, which modified the rules of collective contract, as promulgated in Law No. 20744.

Law No. 21297 has produced the following results: (1) an harmonious application of juridical rules with regard to individual work contracts, without curtailment of the legitimate rights of the workers; (2) re-establishment of the principle of equality between labor and management; ~~and~~ (3) elimination of situations of privilege provoked by legislation providing for excessive protection for the worker (as in the case of greater possibilities for the employment of women); and (4) obtention by the employers of a greater ability to manage, and enforce worker discipline within, their 3. Also on October 4, SEGBA, the Buenos Aires light and power /plants. facility, announced the dismissal of ^{over} 200 employees whose services were no longer deemed necessary. Among those dismissed reportedly were Luz y Fuerza union leaders Oscar Smith, ~~and~~ Hugo Caruso, and many other union officers. Pascual Fama, SEGBA reportedly has experienced sporadic slow-downs and isolated incidents of sabotage in recent weeks which are related to growing worker dissatisfaction over management

proposals to change the existing collective agreement~~s~~. (See septel).

4. Further analysis of these developments will follow.


HILL

5 Oct 76

IX 0940

TELEGRAM

INDICATE
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FROM AmEmbassy BUENOS AIRES

CLASSIFICATION ~~SECRET~~

E.O. 11652: GDS
 TAGS: PFOR, SHUM, AR, US
 SUBJECT: Call on Acting Foreign Minister

ACTION: Secstate WASHDC IMMEDIATE 7421

~~SECRET~~ BUENOS AIRES 6547

REF Buenos Aires 6426

1. At his request, I called on Acting FonMin Allara last evening.

He had a number of points to take up. First was letter from

Congressman Harkin to President Videla mentioned by FonMin

Guzzetti at airport (see reftel). Allara said President Videla

was inclined not to answer it. Allara then asked my advice.

After reading letter (text of which being pouched to Dept), I

noted that letter was outside diplomatic norms and probably

violated constitutional division of powers. Decision as to what

to do with it was of course theirs, but on personal basis my

advice would be not to answer it directly; rather, they should

have their Ambassador in Washington first check with Department

and the , if latter had no objections, to call on Congressman

Harkin and discuss matter personally.

2. Allara thanked me for personal counsel and indicated President

AMB
 LCM
 POL+3
 POL/R
 ECOM
 USIS
 DAO
 MIGLP
 SCIAT
 LEGAT
 RF
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 CONS
 SY

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128

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AMB:RCH11

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DCM:MChaplin

~~SECRET~~

may wish to see me re letter "in a few days"--thus indicating there may be no immediate disposition of letter. I asked if it were true, as I had read in press, that some 56 American congressmen had written President Videla on question of anti-semitism in Argentina. Allara promised to confirm with President and let me know soonest.

3. Next point was Patricia Erb. Allara said decree would be signed shortly (indeed, apparently it had been signed in Interior Ministry just before I called at Foreign Ministry) and she would be expelled within day or two (she is to be expelled on Braniff flight tonight, Oct 5). He noted that expulsion had been difficult decision since Erb admitted involvement in PRT (political arm of ERP), one of the very organizations Armed Forces were making great sacrifices in effort to control. Despite her guilt, GOA did not wish case to perturb relations with US. Thus, he emphasized, fact that she being expelled resulted solely from value GOA places on its relations with US. To make certain there no doubt concerning her involvement, he gave me handwritten and signed copies of her statement admitting membership in PRT (Copies being pouched to Department).

4. Third point had to do with Fraser Subcommittee hearing. Allara said GOA disturbed by some of Subcommittee's allegations reported in press and especially so in view of certain of the witnesses who were themselves involved in subversion. He then handed me biographic data on Gustavo Roca, Lucio Claudio Garzon Macedo and

Rodolfo Puigros, outlining their involvement with subversive groups.

5. Allara said GOA surprised by allegations concerning anti-semitism, especially as they came almost at same time President Videla was sitting down to lunch with number of religious leaders including rabbi. He said these religious leaders had agreed that GOA taking effective measures to control any manifestations of anti-semitism and to assure freedom of religious expression generally. There was anti-semitism in Argentina, Allara admitted, just as there was in US. But problem was being greatly exaggerated abroad. Further, it did not reflect attitude of GOA. On contrary, GOA was taking measures to put an end to it, just as USG was taking measures to end discrimination against blacks in US.

6. Allara then handed me memo, which, in effect, consisted of talking points for what he had just said to me re Fraser hearings. Memo had been prepared for his own background, he said, and had no official standing. I asked if I should take his references to hearing as a verbal protest. He replied negatively. This was not a protest; rather, he wished to discuss hearings in spirit of collaboration and cooperation. He was giving ^{me} memo in same spirit. Last paragraph of memo read: "GOA wishes to transmit to USG its concern over this action which affects our country and its authorities, appreciating that efforts to normalize the situation will contribute to strengthening the friendship

existing between our two countries."

7. Final point, Allara said, was that they had received report from Ambassador Musich on Oct 2 indicating US would apply Harkin amendment in upcoming vote in IDB on 30 million dollar loan to Argentina. Allara asked if this true. I said I had no information at all on matter and would have to query Dept of State. (Is this same loan referred to in State 245400?)

8. I suggested to Allara that there might be some merit in getting various members of our staffs together to go over human rights issue once again, so that we could explain to them not only legislation but how problem is perceived in US and they, in turn, could explain more fully their position to us. It might not change situation, but at least we could be sure we understood one another's positions and thus, in my view, was worth the effort. Allara agreed that idea had merit and said he would be in touch with me shortly..

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